MEETING
STATE LANDS COMMISSION

ROOM 2117
STATE CAPITOL
SACRAMENTO, CALIFORNIA

THURSDAY, OCTOBER 28, 1976
10:00 A.M.

C.S.R. License No. 3252
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| 13| Mr. James F. Trout, Land Operations                                           |
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| 16| Mr. N. Gregory Taylor, Assistant Attorney General                              |
| 17| Mr. Dennis Eagan, Deputy Attorney General                                      |

PETERS SHORTHAND REPORTING CORPORATION
26 NESS COURT
SACRAMENTO, CALIFORNIA 95826
TELEPHONE (916) 383 3601
ACTING CHAIRMAN BELL: Ladies and gentlemen, I would like to get the meeting started. Roll call, see who's here.

EXECUTIVE OFFICER NORTHROP: Mr. Cory's absent here, Mervyn Dymally, represented by Mr. Thomson, Mr. Roy Bell.

ACTING CHAIRMAN BELL: All right. Because Mr. Cory's absent, I guess I get to be Chairman.

The minutes of September 30th were distributed with the Agenda. If there are no corrections or other comments by Commission members, they will be approved.

First item on the Agenda is a report of the Executive Officer, Mr. Northrop.

EXECUTIVE OFFICER NORTHROP: Thank you very kindly, Mr. Chairman.

Mr. Chairman, and Mr. Thomson, in previous action the Commission approved participation in a joint public hearing regarding the Dow Petrol Chemical Project. The Office of Planning and Research has arranged for this joint public hearing to be held on December 8th and 9th. Staff is prepared to issue a notice of the hearing on behalf of the Commission. The Director of the Office of Planning and Research will be contacting you individually to determine the possibility of your participation in this two-day session.
The staff conducted a public hearing on October 14th in Huntington Beach to receive input for the Environmental Impact Report covering the proposed resumption of drilling by Aminoil USA in the Huntington Beach offshore oil field. No formal comments were presented. However, two individuals indicated they would be submitting written comments at a later date.

The staff has drafted a Land Consolidation Report as the Commission has requested. Mr. Golden, the Assistant Executive Officer, will bring you up to date on this matter.

ACTING CHAIRMAN BELL: All right. Mr. Golden? At least until Friday, it was a pretty good report.

MR. GOLDEN: An update of the report made to you on the March 25th meeting on this subject, copies of an initial working paper have now been provided to you. The President has just signed into law a bill known as the BLM Organic Act. This law will have a major impact on the management and use of federal lands within California.

The staff is completing a detailed analysis of this legislation and will rewrite their initial consolidation working paper as needed.

It's obvious that this federal statute will have a significant impact on the recommendations that are included in this initial report to you. A revised Land Consolidation Report should be available before the next regular meeting of
the Commission, and copies of it will be forwarded to you immediately upon completion.

ACTING CHAIRMAN BELL: All right. So much for what otherwise would have been a very interesting report.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, public hearings were held on draft coastal regulations. Mr. Golden, again, will summarize where we are on those hearings regarding the coastal regulations.

MR. GOLDEN: Public hearings were held on the draft coastal regulations on October 18th in San Diego, October 19th in Long Beach, and October 20th in San Francisco. A number of comments were received at these hearings and it's expected that more specific written comments will be received by November 10. Several affected groups requested conferences with staff to iron out language problems. All of these concerns will be addressed, and it's anticipated that a final draft will be reported back to you at the meeting of December 15th for your consideration.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, in addition to this, and for the record, Item 16 and 17 have been withdrawn. Item 21, 30 and 44 have been put over.

ACTING CHAIRMAN BELL: What were the last three items?

EXECUTIVE OFFICER NORTHROP: 21, 30 and 44.

ACTING CHAIRMAN BELL: Okay. Let me catch up with
it. Okay. That was the Hastings Slough deal.

EXECUTIVE OFFICER NORTHROP: 21 is Hastings Slough, 30 was the discussion on Humboldt Bay, and 44 was a Lake Tahoe environmental assessment. So we'll put those over.

ACTING CHAIRMAN BELL: That one's put over also to next time.

EXECUTIVE OFFICER NORTHROP: Also, Mr. Chairman, because of the potential controversy of Item C 13, which is otherwise on the Consent Calendar.

ACTING CHAIRMAN BELL: On the Consent Calendar?

EXECUTIVE OFFICER NORTHROP: It's on the Consent Calendar. Staff would recommend this perhaps should be considered separately from the Consent Calendar. We have no indication anyone wishes to speak to this today; however, there well may be someone who wishes to speak to it. For that case, we'd like to have that taken out of the Consent Calendar to avoid the appearance of any problem.

ACTING CHAIRMAN BELL: We will remove Item C 13 from the Consent Calendar and pick it up immediately after completion of the Consent Calendar.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, that concludes my report.

ACTING CHAIRMAN BELL: All right. Do we have the Consent Calendar? Are there any objections to any other items that appear on the Consent Calendar, which is C 1
through 18, as I recall?

Well, since there appears to be no controversy --

COMMISSIONER THOMSON: Move the Consent Calendar.

ACTING CHAIRMAN BELL: I have a motion to move

the Consent Calendar and I'll second it. All those in favor,
say aye. Opposed? Consent Calendar is approved with the

exception of C 15 which we've removed. Now, we go to C 13.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, C 13

is an authorization to execute a permit between the State

Lands Commission and the Department of Agriculture, for

forest, to give the State access to some forest property it

has in the Tahoe National area.

ACTING CHAIRMAN BELL: All right. Is there anyone

here to appear on Item C 13? Either, well, particularly in

opposition? All right. If not, may I have a motion?

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. I have a motion
to approve Item C 13. Without objection, it shall be

approved.

We now leave the Consent Calendar and go to the

more controversial items, and the first one, I think wouldn't

be surprising to say, it's Item 19, Standard Oil Company of

California, Exxon, and Arco, approval of resumption of
drilling operations on leases in the Santa Barbara channel.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, last
month, the Commission heard this matter and in their deliberations it was discovered that the County of Ventura was somehow overlooked in a distribution of the preliminary EIR. When that was brought to our attention, the Commission recommended that we go back and contact the County of Ventura and get their comments on the EIR. We have done that and we have now in the document an addendum which includes the County of Ventura's objections or comments, rather. And the report from staff addressing itself to those comments.

The staff feels that the comments were of such nature that there were points that were raised, had already been addressed in the EIR. However, we took the necessary steps to point this out in an addendum to complete the EIR process on this.

ACTING CHAIRMAN BELL: All right. I received mine yesterday. And I read it.

EXECUTIVE OFFICER NORTHROP: And Mr. Chairman, I would like to note for the record that we have a telegram from, in protest by Mrs. George Sidenberg, President of Carpinteria Valley Association. Mrs. Sidenberg appeared in person last meeting and the objections are congruent with what she raised last time.

ACTING CHAIRMAN BELL: I should say that Mr. Sid McCausland, my Deputy Director, sitting at my right was here at the Commission hearing last month in my place,
and I brought him along just to cover any carry-overs from
the last month for continuity. Do you have any questions
regarding this telegram that she spoke of? I read the
written comments of the Ventura people. Is there anyone
in the audience who wishes to speak on this item? All right.
Would you care to come forward?

MR. BUSH: Mr. Chairman, Members of the Commission,
my name is Jan Bu\I. I'm the Director of the Air Pollution
Control District in the Ventura County and I'm sorry I'm
late, but I heard you say as I walked in that you had read
our statement.

ACTING CHAIRMAN BELL: Yes.

MR. BUSH: In order for you not to reread it, I'll
summarize our concerns and that is, that although this issue
is apparently a minor issue in the minds of the State Lands
Commission, that it in addition to all the other development
that is proposed to be developed in the OCS area around
Ventura and Santa Barbara Counties, together these projects
can have a substantial impact if tankers are allowed to be
used for all the different operations. And OCS, sale, 35,
the other sales being proposed, the development of transport
of oil from Elk Hills possibly to Port Hueneme and et cetera
are going to indicate that a substantial amount of tankers
are going to be used to transport oil into and out of the
Ventura-Santa Barbara area. And for these reasons, we are
violently concerned that the impact on air quality from a virtually uncontrolled source can have a substantial negative impact on an already difficult problem with air quality in that area.

And it is my feeling that the, as expressed in our letter to you, that the environmental impact statement doesn't really reflect air quality impacts that have been, that are possible in Ventura County from this project and that the alternative of a pipeline has not been adequately assessed and found to be a better alternative from all standpoints, air quality as well as water quality, et cetera.

ACTING CHAIRMAN BELL: That would be the latter comments, was particularly, pertained to all of the oil companies pooled together in a joint pipeline instead of having one company do it, huh?

MR. BUSH: That's right. As I understand it, no one oil company has an adequate amount of oil development to justify it on its own. However, there have been studies by the Office of Planning and Research that indicates that the pipeline is a feasible alternative, economically, and the environmental impacts of that indicate that it would be a substantially beneficial way of handling this situation.

ACTING CHAIRMAN BELL: Mr. Northrop, any comments?

EXECUTIVE OFFICER NORTHROP: Yes, Mr. Chairman.

I was contacted by the Santa Barbara, a staff member from the
Santa Barbara County Board of Supervisors, and he informs me that they're, the Board of Supervisors, is planning in mid-December a government industry meeting to address this pipeline problem. And he requests that, while we can't make it a condition to the issuance of the permit, the attorneys tell me however it would be well to ask lessees if they would not lend their good offices in support and participate in this meeting in December so that we may get this pipeline as recommended by Ventura and others.

ACTING CHAIRMAN BELL: Very desirable alternative from the standpoint of being the least damaging. Yes, Mr. Taylor?

MR. TAYLOR: Mr. Chairman, I think the record should also indicate that the staff and the State Lands Commission has prepared and supplied to the County of Ventura the written responses to staff and that copies of those responses have also been given to each member of the Commission and are before you today for your consideration on this item, generally which discuss the problem in this area that while pipelines might be desirable, this is an existing field. These are additional wells on an existing platform. This is the tailend of recovery in this area, and that the pipeline problem is really addressed more to additional drilling in other areas and with regard to air quality, that the air quality will not exceed present
standards, present emissions, except for a very limited period during this operation and generally will be less.

Also, the amount of air quality received in Ventura County, the percentages of that, and amount of potential pollution to Ventura County as opposed to Santa Barbara County, is discussed in that letter. But, I believe for purposes of a complete record, those items should be before the Commission today.

ACTING CHAIRMAN BELL: Mr. Taylor, I'm glad you said that and I really should have included that in my comments that I had received Mr. Bush's comments, because I did get the State Lands comments along with it, I have read it.

MR. BUSH: Could I make one last comment and that is that in the EIR and in the subsequent letters, regarding our correspondence, one thing has not been addressed. It was spoken to, but has never been addressed in EIR and that is the impact on oxidant formation and all of the work that's been done, they're talking about the primary pollutants being emitted and where they go. They're not talking about the secondary effects of these pollutants and it's our belief that the worst case impact is going to be in Ventura County, not in Santa Barbara County. It takes a number of things to form oxidant, and oxidant in Ventura County is more substantial than it is in Santa Barbara. I'm not
suggesting that they don't have a problem, but you have to follow these primary pollutants that are emitted and to their worst case place and that happens to be in our case, Ojai. And it is a photochemical problem that has not been addressed at all in this EIR.

ACTING CHAIRMAN BELL: All right, Mr. McCausland just requested that he could make a comment on your remarks, because he was here at the last meeting.

COMMISSIONER McCausLAND: Thank you, Mr. Bush. I just wanted to attempt to correct your opening comments. This Commission, I believe, has taken this matter very seriously and has been grappling with it ever since 1969, and I think the fact that it is now 1976 suggests that it's been no lighthearted or insignificant problem for this Commission to grapple with. I think also the fact that last month the Commission rescinded its action in approving the final EIR in deference to your request to have an opportunity to comment on it. It is further indicative of the fact that the Commission thinks it's a very serious matter.

I do believe, however, that the Commission has found itself in a somewhat difficult position of having to administer contracts that the State has entered into in good faith, and because this is the final development of this particular field, that the damages that would be associated with the State not carrying out the portion of the contracts
outweigh other factors that are under consideration. And that the safeguards built into this environmental impact statement, the contingency plans for handling future problems in that field have been addressed as adequately, if not more adequately than ever before done by State government.

But, I appreciate your comments on this particular one, and as an old student of oxidant, I'm very sympathetic to those issues as well. Thank you, Mr. Bush.

ACTING CHAIRMAN BELL: Thank you, Mr. McCausland. A little bit more of that continuity from the last meeting. All right. Is there anyone else who would care to address the Commission on this issue?

If not, are you ready to act on this?

COMMISSIONER THOMSON: Well, Mr. Chairman, I think it would be useful if Mr. Northrop would state for the people here and for the record the specific issue on which we're voting.

EXECUTIVE OFFICER NORTHRUP: The Commission is voting on the following: Determine that a final Environmental Impact Report has been prepared for this project by the division following evaluation of comments and consultation with public agencies which will issue approvals for the project.

2. Certify that the final Environmental Impact Report has been completed in compliance with the California
Environmental Quality Act of 1970, as amended, and the State

guidelines and that the Commission has reviewed and considered

the information contained therein.

3. Determine that the project will not have a

significant effect on the environment.

4. Authorize the resumption of drilling operations

from existing facilities on State oil and gas leases PRC 1824.1,

PRC 3150.1, and PRC 4000.1, in accordance with the terms

and conditions of the leases and the rules and regulations

of the State Lands Commission, subject to the understanding

that Standard Oil Company of California as operator of said

leases has agreed to the following provisions:

A. Standard Oil Company of California will

furnish to the State Lands Commission on their

request a certificate of insurance from a

recognized insurance company doing business in

the State of California, in the sum of $10

million, including the state as a named insured

and evidencing insurance against liability for

damages to third persons arising out of any

and all drilling and production activities

under said leases -- which certificate shall

not be cancelable except upon 30 days notice

and Standard Oil Company of California shall

agree to keep a certificate of insurance
meeting the above requirements at all times until all drilling and production from said leases shall have terminated and all wells have been properly abandoned as required by law.

B. Should any event occur causing a substantial number of claims for damages to be filed against the Standard Oil Company of California, as a result of operations under said leases, Standard Oil Company of California shall, within ten days after such event, cause to be opened or open, a claims office within the city of Santa Barbara staffed with sufficient personnel and authority to process all claims and to settle all uncontested claims—barring unusual circumstances, the staffing of said office shall be sufficient to process all claims and settle all uncontested claims within 60 days of the establishment of said office; all drilling and production shall be conducted under said leases in accordance with applicable law. The rules and regulations of the State Lands Commission and the Division of Oil and Gas, and the procedures heretofore adopted by the State Lands Commission, and
referred to or described in the final Environmental Impact Report relating to drilling operations from existing Standard Oil Company of California platforms in the Santa Barbara channel adopted by the State Lands Commission in part two of this resolution.

C. Standard Oil Company of California shall implement and maintain sufficiently the oil-spill contingency plan on file with the office of the Commission.

D. To facilitate the settlement of contested claims by third persons without necessity of litigation, Standard Oil Company of California will agree to mediation procedures approved by the Executive Officer after consultation with the Office of the Attorney General.

I might add here also for the record items AB, item 4A, B, C, and D were addended to the contract after the original drilling permit by the existing Commission.

ACTING CHAIRMAN BELL: A, B, C and D were.

COMMISSIONER THOMSON: On item 3, determine that the project will not have a significant effect on the environment. Should that read significant adverse effect?
EXECUTIVE OFFICER NORTHROP: Yes, sir. It should.

ACTING CHAIRMAN BELL: Probably should be corrected, because this project by itself will not have that.

EXECUTIVE OFFICER NORTHROP: Right. And you will note, sir, I departed from the text of the, as printed to add, "upon our request." We, the Standard has asked us if we would request when the additional bonding is needed and we told them we would give them a letter for removal at the time it was needed.

ACTING CHAIRMAN BELL: All right. Should we include in this at least a comment in regard to that December meeting that we would hope or --

EXECUTIVE OFFICER NORTHROP: Oh, yes, I think --

ACTING CHAIRMAN BELL: -- request that the lessees participate in that meeting.

EXECUTIVE OFFICER NORTHROP: Yes, I think it would be a strong recommendation of staff to the Commission that they participate in the government industry pipeline meetings in December to resolve that problem. I have indication from Standard that that's acceptable.

ACTING CHAIRMAN BELL: Mr. Northrop, I was on the Board sometime ago, but I'm sort of fuzzy on this. If we don't carry through our contractual obligations, doesn't the State stand to lose very significantly on it?

EXECUTIVE OFFICER NORTHROP: The Attorney General
has been hesitant to give that opinion in public, however I would imagine that that would be a matter for Executive Session on that. I'm practicing law without a license.

ACTING CHAIRMAN BELL: I would like to discuss that at some time with you, gentlemen. I know it's rather severe.

COMMISSIONER THOMSON: Mr. Chairman, I move the approval of Item 19.

ACTING CHAIRMAN BELL: All right. I have a motion that Item 19 be approved as amended. With the suggested one word addition to item 3 and the addendum of the request that the lessees participate in the assembly meeting. All those in favor say aye.

COMMISSIONER THOMSON: Aye.

ACTING CHAIRMAN BELL: Aye. Opposed? It is unanimously approved.

Item 20?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 20 deals with Pacific Gas and Electric, and PG&E has requested a letter. Initially this is a pipeline through-put agreement and PG&E has requested a letter from the Executive Officer outlining PG&E's obligation to pay volumetric rental under this lease amendment. Should a court later be through, amended that the Commission volumetric rental, is invalid. They've also inquired concerning disposition of rentals paid pending resolution of any such litigation.
If you recall, a similar letter was provided to Pacific Refining last July in connection with their volumetric rental payments. The staff is agreeable with sending such a letter, the letter will provide that any volumetric rental over and above the minimum rental will be paid into a special treasury account, pending the result of present litigation, challenging the Commission's new rental regulations.

Should volumetric rentals be held invalid, these excess rentals would be refunded, together with the interest actually earned on the money. A copy of the letter, I'm advised by counsel, is in front of you, we will ask the Commission to authorize a sending of this letter to PG&E in addition with the approval of the lease amendment. Mr. Taylor, from the staff, Mr. Dennis Eagan will be available to answer questions if you care to ask.

MR. EAGAN: I think the Calendar Item is self-explanatory. The additional matter of the letter was something that was raised by Pacific Refining Corporation in connection with their lease amendment which was approved by the Commission last June, and a similar letter was requested by PG&E and to the staff as amendable to providing such a letter to PG&E. The Calendar Item, however specifically does not provide for such a letter, and that is the occasion for the special remarks of the Executive Officer and the draft of the letter being placed before the Commissioners today.
ACTING CHAIRMAN BELL: I certainly have no objection to the letter itself.

EXECUTIVE OFFICER NORTHROP: So, what we have here, Mr. Chairman, is a volumetric rental with an $868 minimum for 2,580 linear feet of line with a minimum of 868 and a throughput rental of one-tenth of a mil or .0001 dollars.

ACTING CHAIRMAN BELL: That's a tenth of a mil? And that would be in addition to the 868?

EXECUTIVE OFFICER NORTHROP: The one-tenth of a mil, that would be the amount of money held in the expense account.

ACTING CHAIRMAN BELL: And that would be the one that we put in there in effect almost condemnation.

COMMISSIONER THOMSON: That would not be in addition, that would be the rental, right, which would come to somewhat more than 868?

EXECUTIVE OFFICER NORTHROP: It would be over 868.

MR. EAGAN: To clarify, the lease amendments contemplates that in all events, there will be a minimum rental paid of $868. As the volumetric rental accrues, that $868 will be applied against the first $868 of the volumetric rental based upon the figures we were given by PG&E concerning their proposed volume of oil through this pipeline, it was estimated that the volumetric rental annually would be approximately $2,500. The current rental, I believe, is
approximately $250 for slightly less land.

ACTING CHAIRMAN BELL: All right. I think my inquiry was primarily to determine whether we get the $868 independent of any amount of money set aside in the special treasury account for litigation.

EXECUTIVE OFFICER NORTHROP: It is my understanding that we do, sir.

ACTING CHAIRMAN BELL: All right. Are there any objections to Item 20? If not, may I have a motion?

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. I have a motion for Item 20. All those in favor say aye?

COMMISSIONER THOMSON: Aye.

ACTING CHAIRMAN BELL: Aye, Item 20 is approved and I think separately, I would like to also have a motion approving the sending of this letter.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. I have a motion and seconded, all those in favor say aye?

COMMISSIONER THOMSON: Aye.

ACTING CHAIRMAN BELL: Aye, opposed? The approval to send a letter is granted.

Item 21 is removed from the Calendar, Item 22, City of Los Angeles, Department of Recreation and Parks.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this
is a request for the expenditure of tideland funds and for the establishment of Cabrillo Marine Museum and John S. Gibson, Jr. Parks. Staff finds that these items are within the areas of the grant, trust areas, and they're trust expenditures.

ACTING CHAIRMAN BELL: This is within the definition of trust expenditures?

EXECUTIVE OFFICER NORTHROP: Right.

ACTING CHAIRMAN BELL: All right.

COMMISSIONER THOMSON: Mr. Northrop, it is my understanding that we do not, we're not voting on the inherent merit of these projects, merely that they are within the definition; is that correct?

EXECUTIVE OFFICER NORTHROP: That is correct. It is my understanding from counsel that the interpretation is that we, our jurisdiction, or our area of purview is limited to whether or not it is within the trust or the area, not up to us to determine whether it's the best use of the mine.

ACTING CHAIRMAN BELL: I see. And is there a ceiling on the $1,860,000 or is this something that can cost us more later?

MR. TAYLOR: That is all for approving at this time.

MR. TROUT: The money came from a sale or a lease of tidelands for extraction of oil at Standard Oil Company. The money was deposited with the city treasury and earned
some interest, but the money and the interest is the ceiling
and it's not State money, it's money the city got under
their grant.

ACTING CHAIRMAN BELL: Okay. All right. We'll
do that finding in effect, we'll just approve it, the
legitimacy of the trust, I suppose. Make a motion?

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. Without objection,
Item 22 is approved.

Item 23, 24 go together or just 23?

EXECUTIVE OFFICER NORTHROP: No, take 23. This is
an amendment of an industrial lease with Standard Oil Company
of California for two terminals. This is probably best
described as a housekeeping procedure wherein we executed
a lease with Standard Oil Company and it was the intent of
staff and I believe also of Standard Oil Company to put a
rent review in these leases. And what we are attempting to
do with this amendment is to place a rent review that was
according to our staff inadvertently left out.

ACTING CHAIRMAN BELL: All right. This would provide
for review and resetting of annual rent each 5th anniversary?

EXECUTIVE OFFICER NORTHROP: That's correct, sir.

ACTING CHAIRMAN BELL: Consideration $27,000?

EXECUTIVE OFFICER NORTHROP: That's the present
consideration, sir.
ACTING CHAIRMAN BELL: All right. Is there anyone to comment on Item 23? On these two particular terminal leases?

COMMISSIONER THOMSON: Move to approve.

ACTING CHAIRMAN BELL: If not, I have a motion to approve and the item will be approved.

Item 24.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the Standard Oil Company advises staff that the company is undergoing some reorganization and I, from my understanding, is they're attempting to place many diversified companies in operations under a single umbrella known as Chevron USA, Incorporated. And this is a, that would necessitate all of the leases and documents executed with State Lands to be, to reflect that name change and this item is to accomplish that.

ACTING CHAIRMAN BELL: So, all this does is just in effect, change the sign by name, by the new name?

EXECUTIVE OFFICER NORTHROP: That's correct.

ACTING CHAIRMAN BELL: Is that basically all their production or does this include their research?

EXECUTIVE OFFICER NORTHROP: As I understand it, Mr. Couvillon is here from Standard Oil. Perhaps he'd care to address that. Right, production and leases of terminals, equipments and pipelines, equipment locations, sites of
pipelines, and that sort of thing.

ACTING CHAIRMAN BELL: They have quite a few of these, don't they?

EXECUTIVE OFFICER NORTHROP: Yes.

MR. TROUT: Mr. Chairman, there's 55, split about half and half. Half in extraction and half --

MR. COUVILLON: I'm D. G. Couvillon, Standard of California. I think Mr. Northrop has stated the essence of the proposal today, sir. Our company is, our marketing purposes primarily are elected to place all the assets of Standard Oil Company of California into a new corporation called Chevron USA, Inc. in the domestic United States which represents an operational change which does not eliminate Standard of California from operating, of course, in the United States as such, nor from any responsibility for any of the contracts or obligations that it had previously incurred. And the process, this will be a formal assignment from Standard to this new corporation which will be wholly owned by Standard of California, which will become the owner of those assets and, of course, will expressly assume, in addition to the continuing responsibility of Standard of California, all obligations to third parties on existing contracts and we'll, of course, conduct business with the State of California and tax matters and other regulatory matters in the name of Chevron USA, but from the standpoint
of responsibility, there's no change whatsoever.

ACTING CHAIRMAN BELL: Thank you, Mr. Couvillon.

MR. COUVILLON: Thank you.

COMMISSIONER THOMSON: I move adoption.

ACTING CHAIRMAN BELL: I have a motion. Item 24 stands approved.

Item 25?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, in light of the recent Attorney General's opinion on the position of recreational piers as it applies to rentals charged therefor and the general salvage permit and the general, some of the general leasing procedures, staff is requesting authorization to conduct administrative hearings to revise our Administrative Code.

ACTING CHAIRMAN BELL: All right. This is merely to authorize your hearings and this is not the final by the Commission on that. So, without objection, Item 25 is approved.

Item 26, Port of San Diego.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, in Item 26, the Port of San Diego, when it received its grant, there was an area of about seven and a half quarter acres that was left out of the original survey. It was clear the legislative intent because of bulk headlines and other indications indicate that the legislative intent was to include
perhaps an additional 7.25 acres in the grant. However, it was not included. So what we are asking this time is a 49-year lease use permit for San Diego to allow them to have that within their area as well.

ACTING CHAIRMAN BELL: All right. The fact is it just straightens the line out, doesn't it?

EXECUTIVE OFFICER NORTHROP: That's right.

COMMISSIONER THOMSON: We're giving this to San Diego for nothing?

EXECUTIVE OFFICER NORTHROP: Yes, we are.

ACTING CHAIRMAN BELL: Public use and benefit for San Diego, taking whatever.

EXECUTIVE OFFICER NORTHROP: Mr. Thomson, I understand what you're saying, and if the legislative intent weren't so very, very clear, we probably would take some other steps.

COMMISSIONER THOMSON: I hope San Diego's grateful. I so move.

ACTING CHAIRMAN BELL: Mr. Thomson's motion, Item 26, will be approved.

Item 27, California Blue Valley, Inc., Trustee.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Mr. Hight, Staff Counsel, will address this issue.

MR. HIGHT: Mr. Chairman, this is an extension for six months for California Blue Valley, Inc., for a temporary
fire protection pipeline. This pipeline has been in some
year and a half, and it's to be used only in the event of
fire protection purposes.

COMMISSIONER THOMSON: Mr. Hight, have there been
previous requests for extensions?

MR. HIGHT: Yes, I believe this is the third.

ACTING CHAIRMAN BELL: Third six-month extension?

MR. HIGHT: Right.

COMMISSIONER THOMSON: Is there any chance that
this will be the final request for an extension?

MR. HIGHT: Well, staff will make every effort to
coordinate with the respective parties in Donner Lake to
get them to get together to have a unified fire protection
district. We are not really directly involved in this matter
other than the fact that they have their pipeline in
Donner Lake. We will do everything we can to get them to
put a district together.

COMMISSIONER THOMSON: Is there any real justifica-
tion for this delay?

MR. HIGHT: There are numerous districts and there
has been difficulty getting all of them together. There are
four or five separate districts and they don't seem to work
together as good as one would hope.

ACTING CHAIRMAN BELL: Mr. Thomson, we might
encourage them to get together a little bit more to say that
we would expect some specific action on their part before we consider something else.

COMMISSIONER THOMSON: Is there any damage that's being done by this delay? Is the State Lands being injured in any way?

MR. TROUT: Mr. Thomson, I don't think the State Lands are being injured, but I think maybe the public is being disbenefitted in some way in that this pipeline is laying on the surface of the beach and is both visually unattractive and somewhat of an impediment to progress or, you know, passage along the beach. So, if I understand the essence of the Commission, that further extensions would be looked at with some question. I think we will take efforts to notify the parties concerned of the Commission's concern.

COMMISSIONER THOMSON: Even in the Capitol, we can do most things in 18 months. Well, with that understanding, I move the item.

ACTING CHAIRMAN BELL: All right. I have a motion. With that understanding, Item 27 is approved.

Now we go to the energy and mineral resources statewide item, Item 28.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 28 deals with legal and tax problems, so Mr. Hight, Counsel, is going to attempt to explain it.

MR. HIGHT: Item 28, Mr. Chairman, is an assignment
of the State's production payments from Cabot Oil to 110 North Wacher Drive Foundation. In order that Cabot may get a lease, a loan from Continental Illinois National Bank and Trust Company of Chicago. The Wacher Drive Foundation is a nonprofit tax-exempt organization in Illinois whose sole purpose is to provide revenue for Cabot College. This transaction --

EXECUTIVE OFFICER NORTHROP: Not Cabot College.

MR. HIGHT: Carlton College, I'm sorry. This transaction if legal and one that is required in Illinois in order for, because banks cannot own real property in Illinois. They have to go through a middleman.

ACTING CHAIRMAN BELL: They can't really get their tax problems solved without this type of negotiation, isn't that the basic problem?

MR. HIGHT: That's partially true, yes.

ACTING CHAIRMAN BELL: Well, it's an Illinois tax shelter, not a California tax shelter.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: I have a motion to approve Item 28 and so it shall be approved.

Item 29, Crescent City Harbor?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Crescent City Harbor's asked for a permit to do some maintenance dredging on a public and, in a public area, and the spoils
would be disposed in either a small boat basin or along the breakwater. It's 120,000 cubic yards.

**ACTING CHAIRMAN BELL:** Can you dump it on their own carpeting?

**EXECUTIVE OFFICER NORTHROP:** Yes, sir.

**ACTING CHAIRMAN BELL:** Okay. I have no problem.

**COMMISSIONER THOMSON:** So move.

**ACTING CHAIRMAN BELL:** All right. 29 is approved. Item 30 is taken off the Agenda, Item 31, City of Morro Bay.

**EXECUTIVE OFFICER NORTHROP:** Mr. Chairman, the City of Morro Bay has a problem with literal drift sands along some of their beach front, particularly on the road from the City opposite Morro Rock. They've asked for permission to remove 5,000 cubic yards of drift sand and if they dispose of it to a contractor, they will pay the State 15 cents per cubic yard.

**ACTING CHAIRMAN BELL:** Okay. Now, this is just a specific one-time 5,000 cubic yards, so if we find that the city's getting into the sand selling business, we can catch up with them next time around.

**EXECUTIVE OFFICER NORTHROP:** Staff will be instructed to pull them up short if that seems to be the intent.

**ACTING CHAIRMAN BELL:** I'm sure they aren't.

**COMMISSIONER THOMSON:** What's the going rate for
sand these days, do you know?

ACTING CHAIRMAN BELL: Retail?

COMMISSIONER THOMSON: Well, to the contractor?

ACTING CHAIRMAN BELL: It's pretty high.

COMMISSIONER THOMSON: Fifteen cents?

EXECUTIVE OFFICER NORTHROP: It's much higher than 15 cents, maybe in the order of nine to ten times higher.

COMMISSIONER THOMSON: To the contractor?

EXECUTIVE OFFICER NORTHROP: To the contractor in washed, delivered, sifted form.

Mr. Chairman, Mr. Everitts would care to address that point.

MR. EVERITTS: I'd like to comment to this. It's a fact that the park the public uses is gradually being taken over by this sand. I personally inspected the area and the city is going to have to pay something like a dollar a yard to have the material taken out. What we're really trying to do is work up a situation with the contractor to remove this unwashed, salty sand at no cost to the city, but in any event, we want 15 cents which we think is about ten percent royalty. We think it's a reasonable exchange.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. Item 31 is approved. Primarily getting down by the rocks, roughly down by the rock?
EXECUTIVE OFFICER NORTHROP: Yes, down in that general area.

ACTING CHAIRMAN BELL: 32, Del Norte County.

MR. HIGHT: Yes, Mr. Chairman, Number 32 is -- the County of Del Norte, Department of Public Works would like to install two temporary wing dams on the Klamath River. The purpose of these wing dams would be to constrict the flow of the river and raise it in fishing season.

COMMISSIONER THOMSON: What's the relation between this and our other problems in that area?

MR. HIGHT: This is on the opposite side of the river from the other problems.

COMMISSIONER THOMSON: So, there is no effect?

MR. TAYLOR: Well, it may. It's in the same general vicinity. But the County feels they can get them in.

EXECUTIVE OFFICER NORTHROP: We contacted the county yesterday so we'd have it up to date and it was their feeling yesterday that the problem in that area with gill nets and other had been sufficiently handled so that this would be a worthwhile venture for the fishermen. It would be kind of strange.

ACTING CHAIRMAN BELL: Announced purpose would be improved fishing access.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. I have a motion
to approve Item 32. Anyone else want to comment on that?

If not, it will be approved.

Item 33, E. L. Yeager Construction Company. Excuse me.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the Yeager Construction Company requested permission to take 7,000 yards of fill and use it as a bridge, foundation for a temporary bridge while a permanent bridge on Route 86, Imperial County, is being repaired.

ACTING CHAIRMAN BELL: Sort of a detour type of thing?

EXECUTIVE OFFICER BELL: Yes, and they agree to not only pay 25 cents a cubic yard for the material, but when the project is finished, return it to the place from which they got it.

ACTING CHAIRMAN BELL: Temporarily borrow and put it back, huh?

EXECUTIVE OFFICER NORTHROP: Rent it kind of a thing.

ACTING CHAIRMAN BELL: Rent it?

COMMISSIONER THOMSON: "To move.

ACTING CHAIRMAN BELL: Without objection, Item 33 is approved.

Item 34, Great Western Cities Geological Information.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the State
of California owns mineral reservations on considerable amount of property of which the surface is owned by Great Western Cities. The Great Western Cities has approached the staff with a proposal that they would like to develop this area and our main concern is the mineral content.

What they would like to do is take core samples from their selected areas which they would like to have to attempt to see if there is any minerals, in fact, in the area. And then, if there is or if there is not, well then come back to the Commission with some kind of proposal, perhaps. If there being no minerals there, perhaps the Commission at that time would entertain an exchange or release of the mineral rights or some other mineral rights in some other location or work out some other agreement.

ACTING CHAIRMAN BELL: Is there any commitment connected with the core drilling permit?

EXECUTIVE OFFICER NORTHROP: No, sir. Just a core permit so that we may take a look at what's there.

ACTING CHAIRMAN BELL: Finding of fact, no commitment beyond that point?

EXECUTIVE OFFICER NORTHROP: None at all.

ACTING CHAIRMAN BELL: So that can't cause us any trouble at all. We'll all find out what's there.

Without objection, Item 34 is approved.

Now, to the Long Beach items. Item 35 through 38.
EXECUTIVE OFFICER NORTHROP: Mr. Chairman, on Item 35, in the original budget submitted by the contractors in the City of Long Beach, staff dropped in excess of $12 million from the budget. Because of the potential now for economic development of oil in these reservoirs, staff is requesting an $8.3 million augmentation to supplement this with drilling and water flood and other activities supportive to increasing oil production.

ACTING CHAIRMAN BELL: The basic purpose of this is to increase oil production; is that correct?

EXECUTIVE OFFICER NORTHROP: That's correct.

ACTING CHAIRMAN BELL: And I'm familiar with it. Do you have any problems?

COMMISSIONER THOMSON: No, sir.

ACTING CHAIRMAN BELL: Any comments by anyone else in the audience? We're sort of just starting up again something we deliberately slowed down.

EXECUTIVE OFFICER NORTHROP: Right, because it was just violation probably of the constitution.

ACTING CHAIRMAN BELL: All right. Without objection, then, Item 35 is approved.

Item 36, approval of ERDA amendment.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 36 as far as the Executive Officer is concerned is an unnecessary item. However, we have had approved by the
Commission --

ACTING CHAIRMAN BELL: City of Long Beach doesn't think so.

EXECUTIVE OFFICER NORTHROP: That's true. A pilot demonstration micellar project. We feel the contract with the Long Beach Harbor Department Tidelands Parcel and the contractor is adequate. However, the contractor feels very strongly that he would like to have an amendment to his contract which directs him to participate in this micellar flood project. So, for that reason, we've placed this on the Agenda.

ACTING CHAIRMAN BELL: All right. So all this amendment does is give them that assurance because we've already made the decision on the micellar project.

Without objection, Item 36 will be approved.

Item 37?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, on Item 37, Mr. Thompson from our Long Beach operation will go over the mechanics of this.

ACTING CHAIRMAN BELL: Mr. Thompson?

MR. THOMPSON: Actually, Item 37 is a retroactive act of some contracts that were cancelled back in 1963 and that is tightening of the bookkeeping procedure on this, natural impact on this.

ACTING CHAIRMAN BELL: Actually, they're nonproducing
or they're --

MR. THOMPSON: They were covered on another contract and this is just tidying up these with some that were not handled at that time and there was another contract avoided those and it is just a legal procedure to have them cleaned up.

ACTING CHAIRMAN BELL: Without objection, Item 37 is approved.

Item 38?

EXECUTIVE OFFICER NORTHROP: Mr. Thompson?

MR. THOMPSON: All this is doing is in contract, this job individually, dollar amount increased, therefore we're increasing the dollar amount of the project and the percentage is staying the same.

ACTING CHAIRMAN BELL: This is a smaller storm drain than that last problem we had?

MR. THOMPSON: Yes, but this is a storm drain that is being solved now. As the business came in, the project cost is going up.

ACTING CHAIRMAN BELL: Okay. I see now. So Item 38 is approved.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, before we go to Item 39, if I may, several meetings ago, we had a meeting in which we deleted some of the subsidence costs particularly rising and lowering of oil wells and in the City
of Long Beach on a particular parcel known for identification as the Gas Company Parcel, if you recall the meeting, in which there was some raising and lowering that would run into a considerable amount of money. And the staff felt that our participation was somewhat less than 20 percent while Long Beach felt it was 50.

Long Beach has informed me by letter yesterday that they would like, at a future meeting, to make a lengthy presentation on their position on that matter. So, the record will reflect this meeting the receipt of that letter and the request for Long Beach for the three-hour presentation on their part for this information. So, with that aside, I would formally, make formal notification for the record.

ACTING CHAIRMAN BELL: I'd like you to have notification that we have received their request.

EXECUTIVE OFFICER NORTHROP: Thank you very kindly.

ACTING CHAIRMAN BELL: All right. Item 39, Conflict of Interest Code.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the Conflict of Interest Code has been prepared by Mr. Hight's staff. Mr. Hight will address himself.

MR. HIGHT: Mr. Chairman, as you'll recall several months ago, the Commission adopted a Conflict of Interest Code. Since that time, the Fair Political Practices Commission
has changed the certain definitions and this is a revision of that code to reflect a change in the definitions.

Basically what it does is it does not go down in the organization as deep as the other code did. This code requires people who have substantial public contact and who have substantial review capacity of other people's work to file a Conflict of Interest Code.

ACTING CHAIRMAN BELL: That's the basic cut-off point, is it?

MR. HIGHT: Yes.

ACTING CHAIRMAN BELL: Okay.

COMMISSIONER THOMSON: And your Code will be reviewed at a subsequent hearing of the FPPC?

MR. HIGHT: Yes.

ACTING CHAIRMAN BELL: This is just to approve it, and then send it back?

MR. HIGHT: It will review them for the hearing.

ACTING CHAIRMAN BELL: Not hearing but review.

COMMISSIONER THOMSON: They have a public hearing, yes. It's quite a thorough procedure.

Move the item.

ACTING CHAIRMAN BELL: All right. Without objection, Item 39 is approved.

Item 40?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Mr. Eagan
from the Attorney General's Office will address himself to this item.

ACTING CHAIRMAN BELL: Mr. Eagan?

MR. EAGAN: Mr. Chairman, this Calendar Item requests the approval of the Commission of a proposed settlement agreement of which arises out of litigation brought by the Marin Municipal Water District against the State and the City of San Rafael, which is the State's legislative grantee regarding certain tidelands in the City of San Rafael.

The proposed settlement agreement is drafted in accordance with a special settlement statute which was enacted by the Legislature in 1971, and subsequent to the drafting of the agreement, it has developed that there may be certain imprecisions or inaccuracies in the property descriptions which are contained as exhibits to the settlement agreement.

And in connection with those ambiguities, I would now like to read into the record a statement concerning them and request a modification of one of the recommendations on this item which is presently before the Commission.

ACTING CHAIRMAN BELL: All right, Mr. Eagan, go ahead.

MR. EAGAN: All right.

"The agreement before the Commission for approval has been drafted in conformity
with the terms of a special settlement
statute enacted by the Legislature in
1971 to promote settlement of public and
private title claims in and adjacent to
the San Rafael Canal in the City of San
Rafael. The statute specifically pro-
hibits the City from quitclaiming any land
lying below the mean high tide line of
the existing canal. It has developed
that the property descriptions proposed
for inclusion in the agreement include a
record description for the northerly line
of the existing canal which may not conform
precisely with the mean high tide line of
the canal as it actually exists on the
ground. In order to insure that the City
will not be quitclaiming any lands in the
existing canal, all parties have agreed
that the existing mean high tide line
along the northerly line of the canal should
be surveyed and that a description of that
line should be incorporated in the property
descriptions set forth in the settlement
agreement.

"Since all parties are anxious to
conclude this settlement with minimum delay, we propose that the Commission authorize execution of the settlement agreement as drafted, with the proviso that its authorization is subject to the Executive Officer and the Office of the Attorney General first having determined that the revised descriptions have described a line for the northerly line of the existing San Rafael Canal which conforms to the existing mean high tide line.

"Accordingly, Recommendation No. 1 on page 3 of the Calendar Item No. 40 should be amended by striking the period and adding a comma after the word 'hereof' on the last line and adding the words: 'said authorization being subject to a prior determination by the Executive Officer and the Office of the Attorney General (1) that the description of the parcel to be quitclaimed by the City and State to the District and included in the stipulated judgment does not include any lands below the mean high tide line of
the existing San Rafael Canal, and (2)
that the description of the parcel to be
quitclaimed by the District to the City
includes all lands below the mean high
tide line of the existing San Rafael
Canal and lying northerly of the southerly
line of the parcel to be quitclaimed
to the City.'

"We ask that the calendar item, as
so amended, be approved by the Commission."

ACTING CHAIRMAN BELL: Thank you, Mr. Eagan. I
have no problems with that.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: Without objection Item 40
will be approved with the specific amendment as entered into
the record by Mr. Eagan.

Item 41?

EXECUTIVE OFFICER NORTHRUP: Mr. Chairman, Item 41
will be addressed by both Mr. Hight and perhaps the Attorney
General.

ACTING CHAIRMAN BELL: All right.

MR. HIGHT: Item 41, Mr. Chairman, is a settlement
of quiet title action brought by Glenn Roberts against the
City of Carpinteria. Since the State Lands was involved,
the State became a necessary party. The settlement of
this suit is very favorable to the State in establishing a boundary line.

ACTING CHAIRMAN BELL: We have a favorable settlement in regard to that beach front?

MR. TAYLOR: This is a combination mean high tide line and private vacation settlement. The private parties have agreed that the portion of the beach limited to the main high tide line is applied and dedicated, therefore, it's not necessary to decide on the mean high tide line. So, the area for public use in this area will be substantially larger than just the high tide line.

This is the second settlement that has gone through. This one is more favorable than for the other portion of the frontage in Carpinteria by a few feet, according to the State Lands Commission review of the maps that have been supplied.

It should be pointed out that this settlement is contingent on a number of other events occurring and the parties have a certain amount of time. It will be an interlocutory judgment which will not become final until these events have occurred and if these events do not occur, the interlocutory judgment may be set aside and the lawsuit will resume, but there, we're confident that the conditions will be met in any event that our position is not hurt by entering into this kind of a settlement.
ACTING CHAIRMAN BELL: All right, Mr. Thomson?
COMMISSIONER THOMSON: No problem.
ACTING CHAIRMAN BELL: All right. Without objection, then Item 41 will be approved.

Item 42?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Item 42 will be addressed by Mr. Golden.

MR. GOLDEN: Item 42 request authorization for legal counsel to take steps to identify the property interests in Pete's Harbor in Redwood City. This arises because of a formal resolution at a Bay Conservation Development Commission that such a title investigation be undertaken and that the tidal situation there be clarified. We have just received a phone call from Mr. Uccelli's attorney, that is Pete Uccelli, requesting that a statement made in the Calendar item be amended. The item currently states that the private occupants claim ownership of the parcel free of any right, title or interest of the State.

Mr. Uccelli's attorney wanted us to clarify that his client does not contend that he has ownership of submerged lands within the parcel. This may be a hopeful sign that some negotiations may be entered into at this point to solve this problem.

ACTING CHAIRMAN BELL: All right. Is there any necessity to indicate that chance of recognize it?
MR. GOLDEN: I think the record will carry it.

ACTING CHAIRMAN BELL: Just the fact of the record, because it's not part of our action.

MR. GOLDEN: That's right.

MR. TAYLOR: I think that by reading it into the statement, it can be included into the minutes.

ACTING CHAIRMAN BELL: That would be sufficient.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: All right. Without objection, then, Item 42 is approved.

Now, Davis Lake Area Project? Item 43?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, Davis Lake is a report that's been prepared by the staff and perhaps Mr. Trout would care to address the Commission.

MR. TROUT: Yes. Mr. Chairman, about four years ago, the Legislature, at the request of the Commission, authorized additional staff to conduct a series of boundary locations and determinations throughout the State. This is one of the first ones that was undertaken, was along the Colorado River and this first stretch is in the area known as Davis Lake.

Preliminary maps have been made by our staff and this report has been prepared and reviewed by the Office of the Attorney General.

Following this, it is a practice to hold a public
information session in the local area so that title companies
property owners, local government can get their input about
the State's suggested location for the boundary.

Following that, the maps would be either amended
or presented to the Commission for final approval with the
public comments. So, the matter will come back to the
Commission at a later time. We tentatively scheduled, with
the Commission's approval, a public meeting on this project
in Blythe on November 18th.

ACTING CHAIRMAN BELL: November 18th? Okay. Our
action merely approves the boundary study and the adminis-
trative maps, then I guess, you might say, hold public
hearings for negotiations with representatives of the State
of Arizona. Is that it?

MR. TAYLOR: Mr. Chairman, if I can make a comment
on behalf of our office, this is the first set of these maps
that have come forth as a result of these studies. It's a
new way of approaching the problem on an area basis and I
think that the Commission should be very pleased with the
work of its staff in its presentation of these maps and this
report and hopefully this will be a new way of approaching
these problems in a more systematic method rather than law-
suits here and there as they have been filed in the past.
It remains to be seen, this is a trial and error process.
It remains to be seen how our work will be received by the
parties that are effected. But, we have one thing to offer
them and that is, if they agree with us they have much more
marketable title to their property than they have now.

ACTING CHAIRMAN BELL: I wonder how much more there
is in regard to settling the entire boundary line of the
river?

MR. TAYLOR: It's a lifetime.

ACTING CHAIRMAN BELL: It's practically a lifetime.

EXECUTIVE OFFICER NORTHP: You should live so
long.

COMMISSIONER THOMSON: So move.

ACTING CHAIRMAN BELL: Without objection, then,

Item 43 is approved.

Item 44 has been pulled off the Calendar, that
was the Lake Tahoe environmental assessment. So, we're
down to the last item, Item 45, annexation of tide and
submerged lands, City of Huntington Beach.

EXECUTIVE OFFICER NORTHP: Mr. Chairman, the
City of Huntington Beach has suggested the Commission in
writing, to give its approval supporting annexation of lands
owned by the State of California and some other lands.

And the staff is recommending no action. This no action
recommendation as we understand it, will allow this whole
annexation idea to be heard in public through LAVCO. And
there is a possibility an election would be involved later.
involving the affected area. However, staff feels that it
would be very beneficial if the hearings were held in the
local areas so local input could be received on this annexa-
tion.

ACTING CHAIRMAN BELL: I certainly agree with the
end result of what would happen by that action. Mr. Thompson
do you have any comment?

COMMISSIONER THOMSON: So, you're asking us to

EXECUTIVE OFFICER NORTHPROP: Asking for no action.

COMMISSIONER THOMSON: Subject to rescheduling?

EXECUTIVE OFFICER NORTHPROP: No, no, this is --
the language as applied would read as, would read as follows.

Mr. Chairman: It is recommended the recommendation that you
take no action and I suppose I have to ask counsel how do you
do that?

ACTING CHAIRMAN BELL: We don't want to just
defer the item, we want to specifically move that no action
be taken.

MR. TAYLOR: I think you can either adopt this
resolution or you can take cognizance of the request and take
no action on it.

ACTING CHAIRMAN BELL: Specifically take no action.

MR. TAYLOR: Yes. You can take it the way the
resolution is here, that would probably be the easiest.
EXECUTIVE OFFICER NORTHROP: The resolution reads as follows:

"It is recommended that the State Lands Commission take no action pursuant to the California Government Code Section 54795.1 as to the approval of the annexation of tide and submerged lands owned by the State under the jurisdiction of the State Lands Commission, described in Exhibit 'a' attached and by reference made a part hereof, and authorize staff to send a written notice to the City of Huntington Beach and the local agency formation commission for the County of Orange."

ACTING CHAIRMAN BELL: Just adopting this for recommendation?

MR. TAYLOR: That would take care of it. The reason for formally taking no action so that they know that it's been considered and that they're not going to, within a few days or whatever the period of time is, get something. In other words, it clears if off so they can schedule to go ahead.

ACTING CHAIRMAN BELL: All right.

COMMISSIONER THOMSON: All right. Then I move the recommendation as stated by Mr. Northrop.
ACTING CHAIRMAN BELL: As stated by Mr. Northrop under Item 45 on the Agenda.

I hadn't recognized the motion yet, but I was going to ask if anyone was here to speak on either side of this issue. Would you care to take just a minute, sir? We're sort of acquainted with both sides and why both people want it or don't want it, if that's all right.

MR. MARTYN: My name is Kenneth Martyn and I am representing Amigos de Bolsa Chica which is a group formed from the City Council, on the recommendation of the City Council appointed environmental council, the Huntington Beach Chapter of the League of Women Voters, and the Huntington Beach Chapter of the Association American University Women. The Amigos de Bolsa Chica supports the staff recommendation for the very reason the staff has given and we think the results of that action will be beneficial to keeping the state-owned lands as an ecological preserve, including both the state-owned lands and the state lease lands, should they be acquired by the State, would more likely come at a lower rate for the public than if this action were not taken.

So, it's not just a matter of allowing the open hearings, which is advantageous, but that it also puts the protection of open space designation to be the result on the state-owned and leased lands.

ACTING CHAIRMAN BELL: I thank you. Are there
any other comments on the item?

If not, I have a motion to accept for recommendation, approve for recommendation. Without objection, Item 45 is approved.

MR. TAYLOR: We've had two new lawsuits against the State, have been filed, and we have been dismissed with one lawsuit in Redondo Beach regarding the development of the tidelands in Redondo Beach. The taxpayer is alleging that they have been improperly developed. This is the King Harbon area and so on. And also a question of access. Two days in trial, we made a motion to dismiss. The State and the City joined with us. The State was dismissed from the lawsuit, the City wasn't. We're not sure, I think there may be some inconsistency in that order. For the moment, we're out, but trial resumes in December and we'll see what the City does in that time.

ACTING CHAIRMAN BELL: We may be back there, is that sort of a possibility?

MR. TAYLOR: I don't think that we're permanently out yet.

EXECUTIVE OFFICER NORTHROP: Incidentally, I think you may want to talk about the Corvallis case at this time.

MR. TAYLOR: Mr. Northrop just mentioned that the Corvallis case was argued and we hadn't reported to you on it. The argument occurred on the first day of this term in
the court and was for an hour. At that time we had ten
minutes to present our views. It is very difficult to ever
predict the results of oral argument. I've always felt
exuberant after most of them and sometimes been surprised.
But, the court did indicate that it was having problems with
applying the Benelli Rule, which is the reason we were into
the case and, in light of that, we were somewhat encouraged
that there may be some clarification from the court in its
opinion.

ACTING CHAIRMAN BELL: I would hope, anyway. Ten
minutes?

MR. TAYLOR: Well, only five --

ACTING CHAIRMAN BELL: Five of our time and five
os somebody else's time?

MR. TAYLOR: No, we never were given any time. We
were using Oregon's time and I think Oregon was a little,
finally realized what our position was and had some -- we
were contrary to their position.

ACTING CHAIRMAN BELL: I'm surprised they gave us
that much. That's very interesting.

MR. TAYLOR: I would say that we would probably
expect an opinion by April. Definitely have an opinion before
the end of this term which would be in June or possibly in
July if they go over. It's very rare for a case to get
into the Supreme Court. Justice White was just giving the
figures on it. Only a thousand cases are considered each year all over the United States and of those, only 4.5 percent are considered by the Court. So, it was a rare opportunity to get our licks in on Benelli.

ACTING CHAIRMAN BELL: All right. Are there any other items to come before the Commission.

EXECUTIVE OFFICER NORTHROP: Staff has none to present, Mr. Chairman.

ACTING CHAIRMAN BELL: All right. Do we have a date of the next meeting?

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the next regularly scheduled meeting will be December the 15th, 1976, here in Sacramento. However, as I mentioned, there well may be a special meeting prior to that.

ACTING CHAIRMAN BELL: Could possibly be.

EXECUTIVE OFFICER NORTHROP: Could possibly be.

ACTING CHAIRMAN BELL: Otherwise, it will be here in Sacramento December 15th? All right. No other matters to come before the Board, we'll adjourn.

(Thereupon the meeting was adjourned at 11:15 a.m.)

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State of California )
County of Sonoma    ) ss.

I, CATHY A. SINGER, a Notary Public in and for the
County of Sonoma, State of California duly appointed and
commissioned to administer oaths, do hereby certify:

That I am a disinterested person herein; that the
forgoing State Lands Commission Meeting was reported in
shorthand by me, Cathy A. Singer, a Certified Shorthand
Reporter of the State of California, and thereafter transcribed
into typewriting.

I further certify that I am not of counsel or attorney
for any of the parties to said meeting, nor in any way
interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my seal of office this 17th day of December, 1976.

CATHY A. SINGER
Notary Public in and for the
County of Sonoma
State of California
C.S.R. License No. 3252